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UNDERGROUND
ENGINEERING &
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SOLUTIONS

Haley & Aldrich, Inc.
299 Cherry Hill Road
Suite 105
Parsippany, NJ 07054-1124
Tel: 973.263.3900
Fax: 973.263.2580
www.HaleyAldrich.com



22 March 2004
File No. 30657-001

Mr. Edward Hogan
Norris, McLaughlin & Marcus, PA.
721 Route 202-206
P.O. Box 1018
Somerville, New Jersey 08876-1018

Subject: Updated Remediation Cost Estimates
Hexcel Facility, Lodi, NJ
ISRA Case # E86009

Dear Mr. Hogan:

This letter provides you with an update on the remediation cost estimates for the above-referenced property. As you are aware, a remediation cost estimate in the amount of \$4.7M was provided to the New Jersey Department of Environmental Protection in the November 1999 Remedial Action Workplan Addendum (RAWA). The cost estimates were provided for the implementation of proposed remedial strategy of High-Vacuum Extraction (HVE) for soil and groundwater remediation. NJDEP approved the proposed remediation in a letter dated 20 November 2001. Following the approval of the RAWA, Hexcel has moved forward with the remediation activities over the past two years. Specifically, the HVE system has been designed and constructed, all required permits are in place, and the remediation system is anticipated to commence operation in the next few weeks. Hexcel also undertook removal of the industrial sewer on the property in August 2002. Based on the completed tasks and activities, we provide an updated remediation cost estimate.

The total remediation cost estimate is now reduced to \$3.05M from \$4.7M projected in the 1999 RAWA based on the monies expended in completion of certain tasks in moving forward with the remediation. We provide an explanation of the revised costs below.

REMEDIATION COSTS

A comparison of the cost estimates for remediation at Hexcel facility, provided in the 1999 RAWA and an update based on the completed tasks, is provided in following table; an explanation of the revised costs follows the table.

OFFICES

Boston
Massachusetts

Cleveland
Ohio

Dayton
Ohio

Detroit
Michigan

Hartford
Connecticut

Kansas City
Kansas

Los Angeles
California

Manchester
New Hampshire

Portland
Maine

Rochester
New York

San Diego
California

Santa Barbara
California

Tucson
Arizona

Washington
District of Columbia

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Estimated Remediation Costs

Task	Estimated Costs (submitted in 1999 RAWA)	Estimated Costs (Revised in 2004 based on completed tasks)
1. Capital Costs	\$900,000	Completed
2. Design, Engineering and Construction Monitoring	\$250,000	\$100,000
3. Installation of HVE System	\$300,000	\$50,000
4. Operation and Maintenance	\$1,700,000 (over 3 years)	\$1,700,000 (over 3 years)
5. Permitting and Reporting	\$250,000	\$200,000
6. Additional tasks	\$1,300,000	\$1,000,000
Total Remediation Costs	\$4,700,000	\$3,050,000

1. Capital Costs: Hexcel has purchased HVE equipment and system is ready for start-up. All costs related to capital equipment purchase have been expended.

2. Design, Engineering and Construction Monitoring: The design and engineering for the HVE system is complete. The construction monitoring for one of the four areas is complete. The revised estimate of \$100K reflects costs for construction monitoring of additional sheetpile cells and HVE wells.

3. Installation of HVE System: The construction and installation of the HVE system has been completed. The revised estimates reflect the cost for future piping and wellhead assemblies associated with the extraction wells.

4. Operation and Maintenance (O&M): The estimate for O&M remains unchanged. The O&M costs include analytical testing for performance monitoring, system maintenance, electrical and gas consumption, site visits, support personnel, and applicable discharge fees. These costs will be incurred once the system is in operation.

5. Permitting and Reporting: The required permits for treated water and vapor discharge have been approved by the various agencies. The revised estimates reflect the costs for analytical costs associated with the requirements of the permit, preparation of Discharge Monitoring Reports, and coordination with the permitting agencies.

6. Additional tasks: The estimated cost of \$1.3M submitted in 1999 RAWA for the additional tasks included costs for excavation of surface PCBs, asphalt cover over site, additional sheetpile cells, groundwater and surface water monitoring, ecological assessment, bedrock investigation, closure of industrial sewer line, steam tunnel, and abandonment of


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production well. The estimate has been reduced to \$1M since the activities related to excavation of surficial PCBs and closure of industrial sewerline have been completed.

Please call if you have any questions.

Sincerely yours,
HALEY & ALDRICH, INC.


Sunila Gupta
Project Manager


John A. Rhodes, P.E.
Vice President

c: Hexcel Corporation; Attn: A. William Nosil

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